

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5279-01
Bill No.: HB 1383
Subject: Federal-State Relations; State Departments
Type: Original
Date: February 10, 2012

Bill Summary: This proposal requires agencies that receive federal grants to track and disclose the usage of the funds.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Section 33.087 Reporting Federal Grants on MAP

Officials at the **Office of Administration** assume that a consolidated approach would be the most cost effective manner of reporting and that this information be accumulated and reported on the Missouri Accountability Portal (MAP). This approach would establish a new MAP database table into which agencies will either interface data or perform maintenance online. With this method, a new tab and web pages would be added to MAP to display the data by selecting a state agency or “all”. The fiscal note does not specify whether only active grants should be reported or if closed grants should be retained for historical reporting purposes. If historical data is needed, selection criteria should be added to choose active, closed, or “all” grants. The data would also be made available in the MAP download section.

The time estimates below are based on four assumptions

1. Data will be collected and reported on the Missouri Accountability Portal.
2. The statement “...an accounting of how the transferred funds were used” does not imply that detail payment information to vendors is needed.
3. Development and installation of a state-wide grant reporting tool is not required.
4. Agencies will submit their own estimates for any staffing needed to collect and record the grant information in MAP.

Time Estimate: Create new database, online update windows, and working with agencies that choose to interface the information to MAP from their legacy systems.

120 work hours programming

28 work hours testing

Create new MAP tab, web pages, and download

80 work hours programming

32 work hours testing

It is estimated that the total cost would be \$22,100 (\$85 per hr * 260 hrs) for IT consultants. It is assumed the cost could be absorbed unless the cumulative fiscal impact of legislation would require the request for additional funding.

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

JH:LR:OD

ASSUMPTION (continued)

The officials at the **Missouri Department of Transportation** assume the cost to prepare this information is unknown, but probably would not be significant, given the amount of reporting connected to the federal funds MoDOT receives that the department already is required to prepare and submit.

The bill states that all costs in administering the legislation shall be paid from the grant of federal funds received by the state agency, and shall not be paid by any amount of state funds appropriated to any agency. Most federal funds are intended to be expended for specific purposes. This legislation would put MoDOT out of compliance with federal regulations regarding supplanting if passed. Federal requirements do not allow for federal grant funds to pay for (a) replacing routine and/or existing State or local expenditures with the use of Federal grant funds and/or (b) using Federal grant funds for costs of activities that constitute general expenses required to carry out the overall responsibilities of State, local governments.

Officials at the **Department of Conservation** assume an unknown impact which is expected to be less than \$100,000 annually.

Oversight assumes the agencies would be able to absorb any potential costs associated with this proposal.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

| <u>FISCAL IMPACT - State Government</u> | FY 2013 (10 Mo.) | FY 2014 | FY 2015 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2013 (10 Mo.) | FY 2014 | FY 2015 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

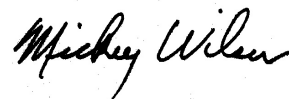
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Budget and Planning
Missouri Department of Transportation
Office of Administration
Office of the Secretary of State



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Director

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